

BRIEF REVIEW OF THE RELATIONSHIP AMONG EMIGRATION, POVERTY AND OVERSEAS WORKERS' REMITTANCES IN COLOMBIA*

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Resumen

La crisis de Colombia de los últimos años noventa y el conflicto armado actual han incrementado la pobreza nacional. Este incremento en la pobreza causó una masiva migración internacional. Las remesas internacionales enviadas a Colombia por los trabajadores colombianos se han convertido en uno de los principales rubros de la cuenta corriente de la balanza de pagos. Estas remesas son principalmente usadas como gastos de sostenimiento de los hogares colombianos con miembros en el exterior. Este artículo describe las causas generales del incremento de la pobreza colombiana durante los últimos años de la década de los noventa y examina la relación de estas causas con la masiva emigración internacional de trabajadores colombianos. Además,

este documento refiere las principales características de las remesas internacionales enviadas a Colombia y su impacto sobre la reducción de la pobreza. El gran porcentaje de trabajadores emigrados, quienes alcanzan nivel secundario y terciario de educación, indica que ellos hacen parte de la población colombiana localizada en el cuarto y quinto quintil de ingreso que migró por razones económicas. Por tanto, las remesas internacionales evitan que más colombianos caigan por debajo de la línea de pobreza, ya que ayudan a los hogares de clase media a conservar su nivel de ingresos. Sin embargo, dichas remesas no parecen contribuir a la reducción de la pobreza y de la inequidad en Colombia.

Palabras Clave

Inequidad, crisis, emigración, trabajadores, remesas, consumo.

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Abstract

Colombia's economic crisis of the later 1990s and the current armed conflict have increased national poverty. This increase in poverty caused a massive overseas emigration of many Colombian workers. The income remittances sent to Colombia by these workers have become one of the principal items of the current account of the Colombia's balance of payments. These remittance income are principally used for the living expenditures of Colombian households with members abroad. This paper describes the general causes of the increasing Colombian poverty during the later 1990s and examines the relationship of these causes with the massive overseas emigration of Colombian workers. Further, this paper describes the principal features of overseas remittances sent to Colombia and their impact on poverty reduction. The large percentage of emigrated workers who have high school and tertiary education indicates that they are part of the population allocated in the fourth and fifth income quintiles that migrated because of economic reasons. Then, the overseas remittances keep more Colombians above poverty line by maintaining income levels of the middle class households but do not seem to contribute significantly to the reduction of inequality in Colombia.

Key words

Inequality, crisis, emigration, workers, remittances, consumption.

J.E.L classification: F22, F24, O15

Introduction

Colombia faced one of its largest economic crises in 1999, which has been pointed out as trigger of poverty. By the crisis time the overseas emigration of Colombian people become deeper causing an increasing participation of workers' remittances in the balance of payments of the nation.

There are different studies that characterize the Colombia immigrant people, the behaviour of the worker's remittances and their economic impact on Colombian families. Based on those previous researches, this paper aims to identify the relationship of overseas labor emigration with the causes of poverty and poverty reduction in Colombia since the later 1990s. Thus, this paper becomes a complementary study of some researches that have analyzed the impact of immigration on the well being of Colombian households using quantitative techniques (Tovar Cuevas, L. & Velez Velasquez, S. 2007; Cardona, L. & Medina, C. 2005). By a logical analysis of the relationships among variables involved in poverty and emigration in Colombia, this paper answers the following questions: are the same causes of poverty in Colombia causing the overseas emigration? Are the workers' remittances reducing poverty in Colombia?

Thus, the paper begins by providing a brief and selected review of the theories of international migration. Then, the article presents a characterization of the overseas emigration of Colombian people, particularly those who

emigrated recently. Also, the paper describes the later 1990s economic crisis and the armed conflict which have been identified by different scholars as the principal triggers of poverty in Colombia and causes of recent overseas emigration of Colombia's workers (Garay & Rodriguez, 2005; Cárdenas & Mejia, 2006; Martinez, 2004). Next, the paper explains the importance of overseas workers' remittances sent to Colombia in the current account and in household's income. Finally, the paper analyzes the relationship of the economic crisis and the armed conflict with overseas emigration and the impact of overseas remittances in the reduction of poverty and inequality in Colombia. The principal conclusion of this research paper is that the massive overseas emigration of Colombian workers during the later 1990s was caused fundamentally by economic reasons rather than by the armed conflict. This paper also concludes that, the remittances avoid larger levels of poverty, but they are not the main factor that has supported the inequality and poverty reduction in Colombia. Even though the households that receive remittances from overseas seem to be concentrated in the fourth and fifth income quintiles, their savings from income remittances are low. This indicates that these households do not belong to the richest Colombia's population; rather, they belong to the middle income deciles, which have kept their national income participation around 24% during the

period 1999 -2005. Additionally, the Pacifica region has been recognized as the major recipient of overseas workers remittances and the poorest region of Colombia. It is out of the scope of this research, the statistical verification of these conclusions and of the hypothesis on which are set the relationships between poverty causes and emigration and between remittances and poverty reduction.

Some theories of international migration

There are multiple theoretical models of migration. Faist (2002) makes a review of migration theories based on three levels. The micro level, which is related to individual values, wishes and hopes; the meso level, which focuses on the social and collective networks (social and symbolic ties of the movers); and the macro level, which emphasizes on macro-level opportunity structures. Even though the meso level presents some vagueness compared to the others, in general they are not necessarily different or "reflect some readily identifiable social or political reality" (p. 5). Below some models are presented, which are included in the micro- meso levels and in the macro level.

The individual or micro level. It is the level in which people have the ability to make decisions on leaving or staying. Here the individual is motivated to migrate by individual values such as status, morality, affiliation or by expectations about improving wealth,

survival etc. Among the principal theoretical approaches that shed light on the understanding of micro level migration decisions are:

Rational Choice Approach. Moving from preferences to opportunities. Among the models embedded in this approach is the model that changes the lens from geographical distance to the individual decision maker. It states that the number of people migrating is inverse to the number of intervening opportunities such as nations and frontiers and directly proportional to the number of opportunities at distance.

Another model included within the rational choice approach is the Cost-Benefit. This model argues that people make their decisions about migrating if the following equation is greater than 0:

$$\sum_{j=1}^N (Y_{dj} - Y_{oj}) / (1+r)^j - T > 0$$

Where:

Y_{dj} = Earnings in the j th year at the destination

Y_{oj} = Earnings in the j th year at the origin

T = Cost of moving

N = Total number of years in which future returns are expected

R = rate of interest used to discount future earnings.

The cost benefit model may be flawed, also if the income differences between countries would be the most important motivation to migrate since in this case,

the poorest of the poorest would be the first emigrated among migrating communities. The empirical evidence shows the opposite.

In addition, the Value Expectancy Model and Structural Individualism indicate that individuals make the decision to emigrate based on:

$$MM = \sum_i P_i E_i$$

Where

MM = strength of motivation to migrate

P = the preferred outcome

E = the expectance that migration will lead to the preferred outcome

I = the specific values that potential movers hold which can be the most diverse such as comfort, wealth, status, adventure, affiliation etc.

This model presents a bias since potential movers often rationalize their actions ex-post rather than before they make their choices.

An opinion that is included in the rational approach is the social choice: the new economics of migration. The new economics of migration theorists have reacted to the conclusion that migration decisions are made in agreement with social units such as families, extended families or, even communities. Then, the utilities of the individuals involved have to be aggregated. In this model the migration is a collective strategic of the household in order to make economically feasible the unit. The problem with reaction the of the new

economics of migration is that its model focuses on inequalities between sender and receiver countries, without considering what happens within the collective units such as ties; norms embedded gender roles; identity; past relation of actors; etc.

Insights derived: location Specific Assets. This model is related to the cost – benefit, focusing on the characteristics of resources available to migrants and the facilities to transfer these resources from one country to another. When people make the decision to migrate the question that arises is if the necessary resources can be transfer overseas.

Within the approaches of the micro-level are the Micro social psychological models: Bounded rationalities in social spaces. Among the models including in this approach is the Stress-threshold model. According to this view a potential migrant assigns a place utility to the current place as a result of his experience related to location attainments and the attainments of his peers. The movers begin by evaluating their current place, and then develop awareness space. The later term refers to the knowledge on a place that an individual acquires through direct contact or other sources such publicity, mass media, employment services etc. all this factors influence on the decision to migrate. When the stress is extreme, also if the awareness space is acquired with little information the migrant will move.

The relative deprivation and relative frustration: Similar to the Stress-threshold model, this model emphasizes that there are psychological pressures that the individual will relieve by migrating. The problem is that in this model there is not explanation why people alleviate their pressures moving overseas instead of adjusting in situ. It is hypothesized that the example set by others is a motivation for migrating, which become a self motivation independently of the collective expectation. As opportunities for migrating increase as the frustration of staying also increases resulting in a state of deprivation.

As mentioned above another level of the migration theories is the macro level which refers to political and economic structures, cultural setting, demography and ecology. Among the approaches of the macro-level is the gravity general system approach: In this approach is the model of the countries as communicating tubes. This model states that “the number of migrant event between two regions is directly proportional to the number of inhabitants in each region and indirectly proportional to the square distance between the out –migration and the in-migration region” (Faist, 2000. P.18). The model predicts that one of the biggest phenomena of migration will be between Russia, China and India given their large population and geographical closeness.

In addition, the migration systems approach is located in a multiple

level theory, moving from the world system to migrant networks. The concepts related to this approach are characterized by: a) they assume that the migration system provides the setting and conditions that affect the migration decisions. b) Emphasizes the processes developed within the migration systems since movement is a dynamic process that includes different step through the time. c) Economic inequalities between nations and admission policies are factors that make individuals, families or communities to deal with migrating or staying.

Principal tendencies of Colombian emigration

Historically, Colombian emigration has presented three biggest booms: (1) from the second half of the sixties to the first half of the seventies, which was related to job opportunities in Venezuela and United Kingdom and immigration facilities to The U.S. (2) At the middle of eighties, which was associated to the U.S.-Colombia drug traffic. (3) After the second half of the nineties Colombian immigration presented its largest boom, which was related to economic crisis and the armed conflict. The last principal destinations of Colombian emigrants are the U.S., Spain, Venezuela, Ecuador and Canada. In 2005, 3.331.107

Colombian people lived overseas, which means that 8,08% of Colombia's total population resided outside of the country (Cárdenas & Mejía, 2006).

The data in table 1 and 2¹ in the appendix shows the growth rate of the total Colombian emigrant population, which increased more than twice during 1990-2000 in comparison to 1980-1990. Additionally, in 2005 the total number of Colombian emigrants was 3.331.107, as indicated above. Hence, between 2000 and 2005 the Colombian emigrant population has increased more than 100%. In fact, the Colombian emigration increase during the period 2000-2005 is close to the number reported by the Departamento Administrativo de Seguridad de Colombia -DAS- (Security Administrative Department of Colombia) for the period 1996-2005, which is 1.900.000. These numbers, confirm that the largest boom of Colombian emigration was presented after the second half of the nineties. As Cárdenas and Mejía (2006) point out, the immigration boom during the period 2000-2005 may be related to the economic crisis of Colombia in the later 1990s. In fact, the Colombian GDP growth averaged 5,3 % yearly during the period 1993-1995. The rest of the decade the GDP was below its historical tendency. Finally Colombia's GDP reached -4,2% in

1. It would be interesting to calculate an annual rate of growth of overseas emigration for the period 1970-2000. However, the availability of statistics is limited. Cárdenas and Mejía (2006), based on the DAS available data present the net flow of Colombians to abroad from 1996-2005. The yearly average of this net flow was 174.000 migrants.

the recession of 1999 (French-Davis & Villar, 2003). This crisis and its effects on the Colombian emigration are analyzed below.

Additionally, the results of the Dane survey conducted for emigrant population of the Colombian metropolitan Central-Western area (CMCW area), show that 67% of the surveyed population in this area migrated because of unemployment reason and 5% because of the armed conflict (Garay & Rodriguez, 2005). This data contrasts with the data presented by Martinez (2004) who indicates that 28% of total Colombian emigrants left the country because of the armed conflict. This can be explained by the different impacts of the 1990s crisis and the armed conflict according to different regions of Colombia.

According to Cárdenas and Mejía (2006) based on the U.S Census 2000, most of the immigrant Colombian population in the U.S ranges in age from 25 to 45 years old. Besides, 30% of the population 25 years and older has technical, undergraduate and graduate education. Likewise, 67,7% of Colombian immigrants 16 years and older participate in the job market. The other 32,3% may be women who are part of complete families since most of the Colombian emigration to the U.S. includes complete families.

Furthermore, 80 of each 100 remittance senders that reside in Spain emigrated during the period 2000-2004, while 54 of each 100 remittance senders

that live in the U.S emigrated during the same period. In fact, 87% of the senders of remittances emigrated from Colombia during the period 1996-2004 (Garay & Rodriguez, 2005).

The above characterization of emigrated Colombian people provided by survey conducted for emigrant population of the Colombian metropolitan Central-Western area (CMCW area) are similar to the results of the Profamilia (2005) - ENDS05 survey- conducted for Colombian households over the country that included those with emigrated members. According to Profamilia survey, 78% of emigrated people left Colombia to look for job (economic reasons), 8,3% to study and 7,3% to get marriage. Additionally, the Colombian emigration shows an increasing tendency by the end of the 1970's and by the end of 1990s.

Then, it is possible to conclude that given that more than 50% of people who moved from Colombia to Spain and USA did it by the economic crisis period, the emigration of Colombians would be explained by the theories located in the macro-level opportunity structures. Particularly, those that pointed out economic and political factors as reason of migration, since both USA and Spain may offer more employment opportunities than Colombia. Additionally, the fact that during the largest period of migration Spain did not impose visa to Latin American people² made easier the

2. Spain imposes visa to Colombian people since January of 2002. http://www.madrepatria.com/paginaweb/paginas/viajar_a_espana.htm

human mobility from Colombia to that country.

Poverty in Colombia

The principal causes of the increase in Colombian poverty levels after 1996 were the economic crisis and the armed conflict, which is reflected on the social deterioration and on the reversion of the reduction of inequality and poverty reached during the seventies and eighties (MERPD, 2006).

Poverty and the later nineties' crisis in Colombia

The principal characteristic of the Colombian economy during the 1990s was a positive and sustained economic growth since 1991 until the Asian crisis in 1997. After this period, even though the short-term debt represented a small share of total debt in Colombia, the vulnerability to international crisis increased. The interest rate rose sharply in 1998 and the GDP growth was negative in 1999. Likewise, after the second half of the 1990s the fiscal deficit increased and fixed investment decreased rapidly. In 1999 fixed investment stayed below 15% of Colombia's GDP. The current account in Colombia at the beginning of the 1990s presented a surplus of 4,9% of GDP, which coincided with trade liberalization, currency appreciation and capital flows' liberalization. By 1998, this surplus became a current account deficit of 4,5% of the GDP. The drop in international liquidity after the Asian and Russian crises implied strong adjustment in the current

account deficit. In 1999 this adjustment in Colombia was 5,7% of GDP (Ffrench-Davis & Villar, 2003). The indicators on table 3 at the appendix show the deterioration of Colombia economy during the 1990s.

The 1990s crisis effects on Colombia's households were diverse: Income fell, which increased poverty and the poverty gap; the household heads lost their employment which obligated other family members, including children, to increase their labour participation; school desertion increased; and other indicators such nutrition and health deteriorated. These effects are not always temporary and do not reverse rapidly when the income increases again (Nunez & Espinosa, 2005). The data in table 4 and 5 in the appendix reflects the impact of the Colombian crisis of the later 1990s on Colombian poverty. The average of the poverty line during 1990-2002 increased 45% compared with the average of the poverty line during 1989-1994. Then, the poverty line increased sharply during the period 1995-2002. As pointed out above, it was the period in which the economic crisis was presented.

In Colombia the crisis of the later 1990s doubled the unemployment rate and increased not only the poverty incidence but also the poverty gap. This crisis affected women significantly. The rate of women unemployed in 2000 were 24,5%, 1,45 times larger than the rate of men unemployed. Likewise, the largest unemployment

rate in 1999 (37,2%) affected young people between 12 and 24 years old. This unemployment rate was 2,4 times larger than the unemployment rate for people between 25 and 24 years old and 3,5 times larger than that for people between 55 and 64 years old (Nunez & Espinosa, 2005). The larger female unemployment rate may have increased the female overseas emigration relative to male emigration. In fact, different sources indicate that around 53% of the remittances senders who emigrated during 2000-2005 are female (Garay & Rodriguez, 2005, Cárdenas & Mejía, 2006).

Poverty and the Colombian armed conflict in Colombia.

Even though in Colombia there are informal armed groups or common criminals that may influence on overseas emigration by committing robbery, kidnapping, murder etc., the analysis of this kind of informal crime is out of the scope of this research. Thus, the principal concern of this section is to describe the formal armed groups (guerrillas and paramilitaries) of Colombia and their relationship with poverty. It does not mean that it is unknown that informal crime is a factor that affects poverty. However, its causal relationship with poverty is not very clear. Some studies point out informal crime principally as a result of poverty and not a cause of it (Guerrero, R., J.). Likewise, Pardo, A., N () indicates

formal and informal criminal groups as a result and cause of poverty at the same time. Nonetheless, as remarked below it seems that currently, the formal armed groups are not a result of poverty anymore, as they were originally.

According to PNUD (2003), the principal historical events that originated the present Colombian armed conflict occurred during the 1950's. The principal current actors of this conflict are: The Revolutionary Armed Forces of Colombia (FARC³), which was the first guerrilla group formed in Colombia in 1955; The Army of National Liberation (ELN⁴) which appeared in 1965; and the Paramilitaries or self-defense groups, which emerged in the beginning of the eighties as a local response to the guerrillas. Particularly, the paramilitaries are a self-defense strategy organized and financed by the landowner-industrial people of the Magdalena-Medio region, who have been affected by the guerrilla's attacks. Both groups, guerrillas and paramilitaries, concentrate their attack in the rural areas. The guerrillas are identified as groups of the left political party, which have a Marxist tendency. However, the Colombian guerrillas are current protagonists of the Colombian armed conflict; they have failed as a revolutionary political project becoming recognized national and internationally as terrorist groups (Uribe, A. 2008).

3. FARC is the Spanish Acronym of Fuerzas Armadas Revolucionarias de Colombia

4. ELN is the Spanish Acronym of Ejército de Liberación Nacional

The actors of the Colombian armed conflict commit different kinds of aggressions: against the armed enemies in combat; against civil society that really or supposedly conform the social bases of the opponents; against civil population, which is obligated to abandon its residence (forced displacement); against civil towns with the objective of frightening them; and against people objective of kidnapping in order to obtain economic benefit. These tactics of aggression impede human development as a result of their outcomes such as: murders which impede a long and healthy life; exclusion of the knowledge option since the armed actors use force instead of rationality; destruction of wealth which increases poverty; and rejection of collective participation which impedes dialogue (PNUD, 2003).

On the other hand, Colombia's armed conflict during the 1990s affected different regions, according to the war actions of its different actors. In 1991, the FARC concentrated its attacks in the Magdalena Medio region but were changing gradually their war actions to Urabá and North of Chocó during the period 1991-1997. Likewise, this guerrilla group intensified its attacks from 1997 to 2001 in the regions of Cesar, Magdalena, Norte de Santander, Arauca and the Northeast region of Colombia. Additionally, during the 1990s the FARC had an irregular and low intensity presence in the regions of Cundinamarca, Boyacá, Eje Cafetero and the North of the province of Tolima.

In 2002 the largest and most intensive actions of the FARC were in Arauca, Caquetá, Meta, Guaviare, the North of the province of Cesar, Magdalena, the East of the province of Cauca and the South of the province of Nariño.

On its part, the guerilla group ELN had sustained regular war actions just in 6 provinces of Colombia during the period 1990-2002: Norte de Santander, Cesar, Arauca, Casanare, Magdalena Medio, Antioquia and Venezuela borders.

The self-defense groups or paramilitaries extended their war forces to different regions where the guerrillas were presented. In 1996, 7 of the principal self-defense groups integrated the United Self-defenses of Colombia (AUC). The AUC war actions reduced the presence of the ELN in Barranquilla and eliminated the guerrilla groups in areas of communication to the Magdalena Medio and Uraba regions. In 2002, 22 self-defense groups were distributed in 28 provinces, which competed with the guerrillas for the territorial dominion (PNUD, 2003).

The number of homicides in combat measures the intensity of Colombia's armed conflict. According to data tables 6 & 7 at the appendix, it is possible to conclude that Colombia's armed conflict has been intensified during the period 1997-2002 in which the growth rate of homicides in war action has been positive. This period coincides with the period in which poverty in Colombia has increased. It is important to notice that the larger rate

of deaths in war actions was registered in the year 2001. This year is included in the period in which Colombia faced the largest percentage of income poverty. Thus, in the year 2001 the rate of homicides in warfare increased in 25% while during the period 1999-2001 the percentage of people living with US\$1 dollar a day and US\$2 a day were 14,4% and 26,5%, respectively. In addition, the period of the largest increase of war actions and poverty coincide with the period of large rate of overseas emigration of Colombian people.

Another interesting indicator of the regional intensity of the armed conflict is the statistic of people displaced for-

cedly, which shows that this situation affects mainly rural families. Unfortunately, it is difficult to find current data in this phenomenon. Equipo Nizkor & Human Rights Watch (1997), surveyed households displaced forcibly during 1994-1995. The results of this survey are presented in tables 1 and 2.

Colombia's remittances

Independently on which are the triggers of poverty in Colombia, the increasing amount of worker oversea remittances sent to Colombia, must be considered as a possible to ameliorate this poverty.

Data in table 9 & 10 in the appendix shows a strong increase of workers'

Table 1. Colombia's population affected by forced displacement as a result of the armed conflict according to expulsion province, 1994- 1995.

Province	Percentage (%)
Antioquia	31,28
Arauca	2,26
Bolívar	2,64
Boyacá	3,89
Caquetá	1,76
Casanare	1,76
Cauca	5,65
Cesar	7,16
Córdoba	4,15
Cundinamarca	1,76
Magdalena	1,38
Meta	4,40
Norte de Santander	3,64
Santander	14,82
Sucre	5,03
Tolima	2,26
Valle	2,26
Other Provinces	3,90
Total	100

Source: Equipo Nizkor & Human Rights Watch (1997)

Table 2. Forced displacement of households according to area

Area of expulsion	Percentage (%)
Rural	53,00
Urbana	26,01
No answer	20,99
Total	100
Because of security or other reason, 20.99% of the surveyed household's heads did not answer.	

Source: Equipo Nizkor & Human Rights Watch (1997)

remittances sent to Colombia since 1999. Thus, the remittances growth rate changed from 4,05% in 1998 to 64,6% in 1999. As pointed out above, it was in 1999 when the Colombia's economic crisis reached the maximum level, which caused high level of overseas emigration. Remittances have become an extremely important item in the balance of payments, especially during the periods of crisis (1999) and post crisis (2000-). In fact, during the period 1999-2006, the average of remittances as a percentage of the good exports was 17,06%. This percentage average was more than twice its value during the pre-crisis period (before 1999) in which it was 8,02%. Likewise, the average of remittances as a percentage of the imports of goods during the pre-crisis period was 6,39%, which increased to 18% during the period 1999-2006. Similar patterns followed the average of remittances as a percentage of foreign investment, which was 25,38% and 86% during the period 1994-1998 and 1999-2006, respectively. Additionally, the average of remittances as a percentage of the gross international reserves dur-

ing the pre-crisis period was 9,13% which increased to 21,83% during the period 1999-2006 (data source: author's calculations based on Banco de la República statistics)

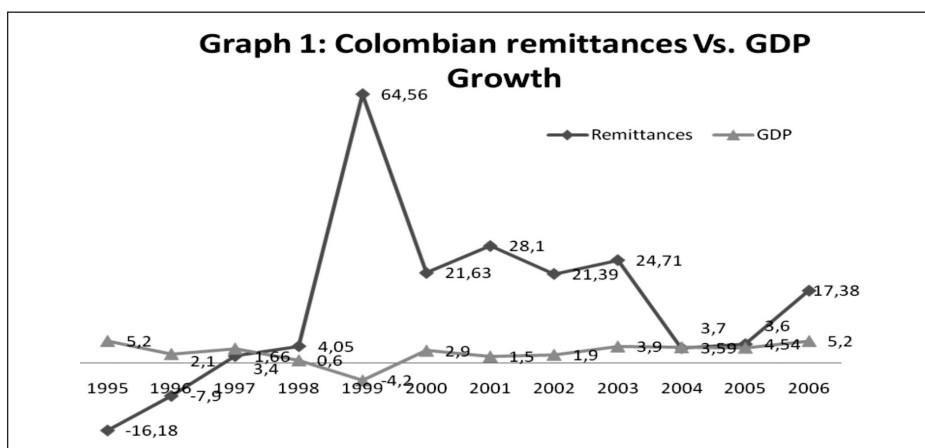
More evidence of the magnitude and importance of remittances to Colombia is that this nation was identified in 2004 as the second remittances receptor of Latin America after Mexico (Uribe, 2005).

In Colombia, among different external financial sources, the workers' remittances are the most stable. While the remittances deviation from their trend in the long run were less than 40% during the period 1999-2003 and the 70% of the three-monthly periods did not present deviations superior to 15%, the capital flows presented fluctuations larger than 200% from their trend. Besides, the remittances are an alternative income source for the households during the recession periods (see figure 1). Thus, when the PIB falls, the remittances increase. This is particularly true in the periods of strongest impact of the recession. In fact, on graph 1 it is possible to observe that even though the GDP

growth became positive after 1999, the remittances growth was sustained until the year 2003 which was probably related to the large number of Colombians that stayed abroad after the crisis ameliorated⁵ and the lagged impact of the impoverished of Colombian families caused by the crisis. In other words, the remittances are an anti-cycled financial source which has contributed to smooth the Colombian consumption household during economic crises. Besides, the remittances of the Colombian workers abroad do not seem to depend on the fluctuations of the external financial markets. In fact there have been periods in which the remittances declined; however, the interest rates in Colombia have been higher than those of the international market (Cárdenas & Cadena, 2004).

Even though the workers' remittances sent to Colombia from abroad are very important not only for the balance of payments but also for the household consumption, the government regulation does not seem to encourage the remittances. In Colombia, the remittances taxes are 0,4% of the total value sent to Colombia from abroad, and 16% on the benefit obtained from the difference between the sale and the buying exchange rates (Cárdenas & Cárdenas, 2004). Also, of 40 countries surveyed, Colombia was identified as one of the 5 countries that tax remittances. The only action that Colombia's government has undertaken to encourage the remittances is an active dialogue with the U.S on issues related to bilateral cooperation to remove barriers to remittance flows (De Luna, 2005).

Figure 1. Colombian remittances vs. GDP growth



Source: Author based on table 9 at the appendix and DANE National Statistics

5. In fact, Cárdenas, M. & Mejía (2006) affirm that the overseas emigration of Colombians decreased since 2002 but still, the net exit of population keeps levels larger than 100.000 people per year.

The monthly amount of remittances per-capita sent to Colombia is estimated between US\$250 and US\$300. Nonetheless, there has been a significant increase of remittances during the last years; the value of the remittances has remained stable. A very low proportion of overseas Colombian workers remittances is superior to US\$1000 (Uribe, J. 2005).

The huge amount of remittances sent to Colombia by overseas emigrated workers to their families seems to indicate that not only the macro level theories shed light on the Colombian international migration phenomenon, but also the micro-meso level theories explain it. Principally, it is clarified by those theoretical models of the micro-meso levels that point out overseas migration as a result of a household strategy to make economically feasible the social unit.

Emigration, poverty and workers' remittances relationship.

¿Are the factors that cause poverty in Colombia the same factors that cause workers overseas emigration?

Garay & Rodriguez (2005) indicate that for the CMCW area, 44% of remittance recipients are working or looking for jobs while 93,5% of the remittance senders have the same situation. These facts support partially the hypothesis indicated above that remittances senders emigrated principally because of economic reasons. However, it is important to clarify if the lack of income that pushed the remit-

tances senders to travel abroad was an outcome of the poverty caused by the armed conflict of the poverty caused by the economic crisis of the later 1990s. This section will attempt to assess the impact of the armed conflict in the population poverty of the largest regions concentrator of remittances and the possibilities that this population be overseas emigrants. Thus, given that the economic crisis has been already pointed out as one of the principal causes of the Colombian overseas labour emigration, if there is not fundamental evidence of emigration because of the armed conflict impact or because of other reasons, it will be concluded that international emigration from Colombia after the year 1999 was due to the poverty caused by the economic crisis.

Evidence of the concentration tendency of the overseas remittances in Colombia is given by their regional destinations, which, in 2004, were principally concentrated according to table 3 It is important to mention that the Pacifica and Eje Cafetero regions not only are the largest recipients of remittances but also they are the principal origin of the remittance senders emigrated recently (Garay & Rodriguez, 2005)

Analyzing the regional poverty in Colombia (see table 11 at the appendix), it is possible to conclude that the Pacifica region has been identified not only as the main recipient of the of overseas workers' remittances but also as the poorest region of Colombia, including the largest national indigence percent-

Table 3. Geographic distribution of the recipients of remittances in Colombia in 2004

Region	Pacifica	Eje Cafetero	Bogota
Percentage	32%	19%	16%

Source: Garay & Rodriguez (2005)

age. The Pacific Colombian region is composed of the provinces of Valle del Cauca, Cauca, Nariño and Chocó. The later province is the only one that has 90% of its territory in the Pacific Region. It is interesting to notice that according to information indicated above, particularly during the period of largest overseas emigration the region was not strongly affected by the conflict armed, since the North of the province of Chocó was focus of the FARC until 1997 and the East of the province of Cauca was manly affected in 2002. In fact, the data in table 8 indicates that the provinces of Cauca and Valle del Cauca are not the principal contributor of displaced people before 1995. Additionally, table 2 shows that people affected by forced displacement are concentrated in the rural areas. In Colombia the largest percentage of poverty is rural (see table 12 at the appendix). This percentages of rural poverty indicate that likely most of the rural families cannot afford travel costs to emigrate overseas in order to escape from the Colombian armed conflict, rather, they may be internal emigrants to urban areas which, probably, increase the urban national poverty levels (see table 8 at the appendix). The households displaced forcedly are the most affected by urban

poverty because they are larger, have less human capital, have deteriorated health and shelter and their consumption is reduced (Cárdenas, 2006).

Hence, the overseas emigration caused by the action of Colombia's illegal armed groups may be achieved by people objective of kidnapping or people frightened by the armed conflict violence. In fact, who is objective of the kidnapping threat in Colombia may be wealthy people who are able to afford the ransom. Likewise, given the political connotation of the armed conflict, politician people are objective of kidnapping as well. Also, most of the people in this situation can qualify for refugee programs offered internationally. Therefore, this class of overseas Colombian emigrants may have a marginal contribution to the total remittances compared with those Colombian emigrants who travel in order to solve the lack of income in their family units.

Thus, the data above indicates that the remittances senders to Colombia from the Pacific region are people who emigrated overseas because of economic reasons. Besides, the lack of income of families who has any member abroad in this region may not be caused by the armed conflict; rather it was a result of

the economic crisis of the later 1990s. Again, the international migration from the pacific region can be, also, explained by the theoretical models that indicate economic reasons as the principal causes of migration, which becomes an strategy of households to make feasible the surviving of the unit.

On the other hand, the Eje Cafetero is a region composed principally by the provinces of Quindio, Risaralda and Caldas, which are part of the Occidental region of Colombia. As table 11 shows, the Occidental region of Colombia is the second poorest in the Country. Even though, it is difficult to find data in the specific indicators of poverty in the Eje Cafetero region, there is some information of the Colombian Metropolitan Center-Western area (CMCW area), which is included in the Eje Cafetero⁶. Garay & Rodriguez (2005) estimated the impact of remittances on the poverty line of the CMCW area, which showed that there was 64% of population below poverty line in 2004 without remittances and 59,4 % with remittances. Furthermore, the Colombian emigrant population from this area is in a range of age from 20 to 40 years old. The principal destinations for emigrants from the CMCW area are Spain where are 54% of emigrants and The U.S. where are 34% of them. In general the emigrants from this area are family members who

left the majority of their family in Colombia. This is an indicator that emigration from the CMCW area is part of a family strategy for increasing or keeping the household income. Additionally, emigrants from the CMCW area to Spain have an average education of 9,9 years while the migrants from the CMCW area to the U.S have an average education of 11,2 years. In the CMCW area an economically active person has a probability of unemployment of 13%, which reduces to 6,5% when he/she emigrates. Furthermore, 50% of households with migratory experience belong to the middle high class social level. Thus, who migrates is who can pay the expenditures of the travel.

Even though the Eje Cafetero region is not the principal setting of warfare of any of the armed groups' actors, they are responsible for part of the internal human forced displacement. Besides, the peasants have been expelled from their original villages because of the poverty caused by the crisis of the coffee prices. These internal displaced people wander in the three capital cities together with the people affected by the earthquake of 1999, who still do not find shelter and employment solutions (Marquez, 2004). In fact, this region is a net recipient of internal displacement from its rural areas and other provinces (see table 13 at the appendix). All these economic and social problems affect the region human

6. The Colombian Metropolitan Center- Western area (CMCW area) is composed of Pereira, Dos Quebradas and La Virginia, which are cities of the province of Risaralda.

development index, which was lower than the national average in 2004 and remained close to the index value of 1993. Other phenomena that are identified as poverty triggers in this region are the lack of government investment and the lack of opportunities created by an economic model characterized by inequality and deteriorated by the fall of international coffee prices (Toro, 2005).

Thus, the information above allows concluding that the overseas emigration of the Eje cafetero region has been caused principally by economic reasons, which may have been worsened off by the crisis of the later 1990s, rather than by the armed conflict. This conclusion is coherent with the findings of Garay & Rodriguez in the CMCW area that indicates that just 5% of overseas emigrants in this area traveled because of the armed conflict.

On the other hand Bogotá, the Colombian capital, was the third receiver region that concentrated workers' remittances to Colombia in 2004; In contrast with the Pacific and the Eje Cafetero regions, Bogotá does not appear as one of the poorest regions of the country. Besides, the impact of the armed conflict seems to be marginal since the capital has not been the effective objective of guerrilla and paramilitary groups' actions. In fact, it has been indicated that Bogotá is reaching a high standard of life. In

general, it is pointed out that the city's population enjoys public services. The current concern of the government in this city is how to increase the human capital in the medium – long run and the ratio of immediate consumption to income (Barrera, 2003). Even though Bogotá appears as one of the regions with less poverty, this city registered an unemployment rate of 18,4% in 1999 while the other metropolitan areas registered an average of 19,4% in the same year (Gutierrez et al, 2000). The comparison of Bogotá's unemployment rate with the average national unemployment rate should be analyzed having into account that Bogotá is the city most populated in Colombia with around 7 millions of people⁷. This means that Bogotá has more unemployed people than other cities, also if other cities' unemployment rates are higher. After the 1990s Colombian economic crisis Bogotá's unemployment rates have remained among the highest in Colombia

(See table 14 at the appendix). Thus, the high unemployment rates faced in Colombia's capital might explain the overseas emigration of its people. Additionally, according to table 1 above & 8 at the appendix, Bogotá does not appear as one of the principal regions affected by internal displacement which may be because this city is not the capital of the principal regions objective of the warfare.

7. Alcaldía Mayor de Bogotá. (2000). Bogotá en Cifras. <http://www.eeb.com.co/contenido/archivos/bogota/bogotasp.pdf>

Hence, it is possible to conclude that in Colombia the armed conflict effectively increases the poverty level of the regions but has a marginal effect on overseas emigration of workers in the main regions where these Colombian emigrants come from. Rather, the economic crisis of the later 1990s and the need of increasing income are the fundamental reasons that explain the massive emigration of Colombian workers during the post crisis period, and the consequent increase in overseas remittances.

Are the remittances alleviating poverty of households with emigrated members?

In Colombia, the education levels are directly proportional to the quintile of income. While the rate of coverage in the first quintile was less than 8% in 2003 the coverage rate in the fifth quintile was around 38% in the same year. Also, the rate of coverage of tertiary education in the fifth income quintile reached more than 40% in 1997. The fourth income quintile presented a coverage rate of tertiary education of 22% in 1997, which reduced to 15% in 2003. The poorest regions have the lowest level of literacy. In 2003, around 18% of the people 14 years old in the Pacifica region were illiterate. This was the highest regional rate of illiteracy in the nation (Millan, 2005). Therefore, in Colombia the education level is a good indicator of the income level of the households, which will be used below in order to identify the economic conditions of receivers and recipients

of the remittances sent to Colombia from abroad.

In 2004, 70,5% of remittance senders had secondary or tertiary education, which is superior to the education level of the Colombian population in general. In fact, just 58,6% of the remittances' recipients of the Colombian metropolitan Central- Western area (CMCW area) have secondary or tertiary education (Garay & Rodriguez, 2005)

Additionally, in the CMCW area the high proportion of the remittances used to pay basic living expenditures indicates a high dependency of households' income on the remittances. This situation is more concentrated in those households with less education, which are likely the poorer. Data in table 4 and 5 allows the conclusion that the remittances are effectively reducing poverty levels of recipient households since the largest percentage of these remittances is spent on basic needs such food, education, health and shelter. Nonetheless, it is necessary to know the percentage distribution of total remittances among the recipients with different levels of education in order to identify the real impact on inequality reduction. As indicated above, the average monthly amount per capita of remittances fluctuates between US\$ 250 and US\$300, which means that the more educated senders do not necessarily send more money to Colombia. However, given that most of the remittances' senders have high school or tertiary education

is it probable that a larger proportion of the remittances' income goes to the wealthier households.

Assuming a complete family as that formed by the parents and their children; it seems that emigrants with less education have more family in Colom-

bia. Evidence of this is that 16,9% of emigrants from the Colombian metropolitan Central- Western area (CMCW area) who did not complete primary studies send money for their children while just 7,6% of immigrants who have tertiary education send money for their

Table 4. Use of remittances according to education level of the remittance senders 2004

Use	Incomplete primary	Complete primary	Incomplete High school	Complete High school	Tertiary education
Groceries & Utilities	70,2	68,7	67,7	61,9	53,5
Education	30,6	34,7	34,3	33,1	32
Health	28,6	30,8	28,5	27	25,5
Rent	14,3	13,7	14,6	13	11,2
Home Mortgage	4,7	4,4	4,1	4,7	5,3
Recreation	1,8	2,8	2,1	2,8	4,5
Appliances and furniture	1,7	2,4	2	2	2,1
Savings	3,8	4	4,4	4	4,6
Personal debts	16	17,1	17,2	17,8	19,1
Others	21,3	21,2	19,4	21,9	22,1

Source: Garay & Rodríguez (2005)

Table 5. Use of remittances according to education level of the remittance receivers 2004

Use	Incomplete Primary	Complete Primary	Incomplete High school	Complete High school	Tertiary Education
Groceries & Utilities	75,7	75,4	67,2	59,7	46,9
Education	29,3	29,3	31,2	33,2	36,7
Health	36,5	37,5	28,5	25,1	20,6
Rent	15,4	16,6	14,3	12,5	9,7
Home Mortgage	5,3	4	4,2	4,7	5,3
Recreation	1,6	1,8	2,1	3,2	4,6
Appliances and Furniture.	1,7	2	1,4	2,4	2,3
Savings	2,9	3,4	3,5	4,2	5,3
Personal debts	16	16,5	17,1	18,4	19,2
Others	20,5	20,4	20,9	20,9	23,8

Source: Garay & Rodríguez (2005)

children. This phenomenon suggests that the parental emigration may be concentrated in the poorer households (Garay & Rodríguez, 2005). However, there are different reasons to conclude that the majority of the Colombian emigrated workers were people with enough economic conditions to afford the cost of the travel for their spouses and possible children. Garay & Rodríguez (2005) point out that in 2004 76% of remittances recipients were women and 40% of them were mothers or spouses of the sender person. Hence, it is likely that less of 40% of the remittances senders from the CMCW area had their family in Colombia. This hypothesis seems to be feasible for all Colombian emigrants which is supported by the results of the RCN survey conducted in 2005. RCN surveyed 7078 Colombian emigrants around the world of who 5% reported to have their spouses in Colombia. In addition, Medina & Cardona (2006) show the profile of the average of the Colombian emigrant, which indicates that according to the AMCO survey (same Metropolitan Central- Westerns Area survey) 29,8% of the emigrants were single and according to the USA census 22,8 % of the emigrants were also single. Thus, all this information sources allow estimating that, by 2005, at least around 70% of the emigrants were married of who a minority had their spouses in Colombia. Even though the last information seems to be coherent it is important to mention that Profamilia (2005) surveyed 37211

Colombian households (ENDS05 survey) of which 5% have emigrant members. 73% of these emigrants traveled without their families. Then the results of Profamilia survey contradict totally hypothesis that most of emigrant travel with their spouses. To understand these contradictory results it is important to take into account that Profamilia's Survey did not surveyed emigrants exclusively as it was done by the RCN's survey. In fact, according to Tovar Cuevas, L. & Velez Velasquez, S. (2007) the total of households with emigrated members surveyed by Profamilia were around 1373 of which emigrated 2253 persons with is a very small sample compared with 7080 emigrants surveyed by RCN. However, as Tovar Cuevas, L. & Velez Velasquez, S., (2007) indicate the RCN survey that was done by internet, may have a bias since most of the emigrants who can access the internet may belong to the richest and most educated emigrated people. It does not affect the fact that a larger sample of immigrants surveyed by RCN has more probability of showing the real civil status of the emigrated Colombian people. Also, the principal objective of Profamilia survey is to offer information on the Colombian women, their family environment, health, fertility and reproductive conditions while the AMCO survey aimed to characterize the households with migratory experience based on a sample of 2400 households of the Metropolitan central- Westerns Area only (Serna, 2005).

Likewise, the social survey of Fedesarrollo in 2003 reported that the percentage of households in the cities of Bogotá, Cali, Barranquilla and Bucaramanga that receive remittances from abroad is concentrated in the fourth and fifth quintiles of income (Cárdenas & Mejía, 2006).

In Colombia the work force allocated from the sixth to the tenth income deciles presented an increasing labour participation range from 56,6% to 68,4%. The income deciles sixth, seven and eighth are classified as middle-income and the income deciles ninth and tenth are the highest-income. The large percentage difference of labour incomes between the middle-income deciles and the highest-income deciles point out that the former group are more vulnerable to fall in income poverty than the later group (see tables 4 & 5), (Ocampo et al, 2000). By the Power Purchasing Parity (PPP) conversion factor –Local Currency Unit (LCU) per international 1997- provided by the World Bank, which were LCU 505 per US\$ dollar⁸, it is possible to calculate the number of dollar per day earned in each income percentile (see table 7). Using 1 dollar per day as indicator to measure income poverty in 1997, it is possible to conclude that the Colombian population allocated in the first 5 income deciles was under income poverty, which make it unlikely they can afford overseas emigration.

Table 6. Labour Global participation rate (LPR) in Colombia, 1997

Decile	LPR
1	49,2%
2	49,3%
3	50,1%
4	53,2%
5	56,4%
6	56,6%
7	59,1%
8	61%
9	65,2%
10	68,4%

Source: Ocampo et al (2000)

Table 7. Labour Income according to income decile in Colombia, 1997

Deciles	\$ of 1997	Change
1	44486	
2	92042	107%
3	124307	35%
4	142184	14%
5	166767	17%
6	190167	14%
7	223300	17%
8	260934	17%
9	348211	33%
10	850812	144%

Source: Ocampo et al (2000)

Table 8. Dollar per day according to labour income (1997 PPP US\$)

Income Decile	US\$ per day ⁷
1	0,24
2	0,51
3	0,68
4	0,78
5	0,92
6	1,05
7	1,23
8	1,44
9	1,92
10	4,68

Source: author calculations based on Ocampo et al (2000)

8. WDI online, web site <http://ddp-ext.worldbank.org.proxy1.lib.umanitoba.ca/ext/DDPQQ/showReport.do?method=showReport>

Hence, the large labour participation of the middle-income deciles and the relative closeness of their income to the border of the income poverty, indicate that people allocated in these income-deciles is very dependent on their employment and, therefore, that their saving rates are low. Thus, accepting that most of the Colombian emigrants are people with enough incomes to afford the emigration, then it is possible to conclude that the remittances sent to Colombia by overseas workers are likely avoiding greater levels of poverty by maintaining the income of the households that were not under income poverty before the emigration of any of their family members. Thus, the remittances may be fixing the economic losses in those middle class and middle high-class households vulnerable to income poverty when the economic crisis affected their employment.

Additionally, the remittances from overseas workers do not seem to reduce the inequality level in Colombia since these remittances may be concentrated in wealthier Colombian households. In fact, Colombia's Gini index in 1999 was 0,6, which reduced to 0,57 in 2002 and was expected to be 0,55 in 2005. This improvement in Colombia's inequality and the improvement in the poverty line which was expected to be 49,2% in 2005 was due to: an increase of 14,5% in the income participation of the poorest 50% of population; the constant income participation of middle income deciles which has remained in

24%; and the reduction of 20% in the income participation of the richest population. This progress in poverty and inequality reduction is explained by the larger rates of employment in Colombia during the last years. In the urban area the unemployment rate decreased from 16,9% in 2002 to 12,1% in 2005, and in the rural area the unemployment rate reduce from 10,5 % in 2002 to 6,7% in 2005 (Montenegro, 2006). Thus, it is probable the constant income participation of the middle-income deciles during the period 1999-2005 was due to the remittances. Further research is needed to prove this hypothesis.

On the other hand, as Ray (1998) points out "the rate of savings affects the long run level of per capita income and, in many cases, the rate of growth of the economy. Thus, the relationship between inequality and savings creates an additional channel through which inequality interacts with income and growth with income" (p. 211). The remittances income use showed in table 4 & 5 indicates that, in Colombia, the rate of savings from remittances' income is not contributing transcendently to the economic growth. Even though the most educated remittance recipients save more money than the less educated, the proportion of saving is relatively small. This phenomenon can be caused by the high dependency of households on the remittances to cover basic needs, which leave low income to save. In fact, who can save, are those that not only have income availability but also those who are willing to save,

accumulate, and invest. According to De Luna (2005), it is a situation common in many remittances recipients' countries. In general, the banking sector does not offer competitive conditions that allow overseas workers to send remittances using bank accounts. This would encourage remittances beneficiaries to access "other financial products that may help them to improve their living conditions, such as consumer loans, mortgages, life and non-life insurance products, pensions plan, etc" (p.20). In fact, in Colombia, instead of encouraging the more effective use of the remittances in order to increase capital formation and reduce structural poverty, the government taxes them. The Colombian taxes are an additional cost to the remittances feed. In 2004, the cost of sending money to Latin America was 7,6%.

Even though, it seems there are several barriers for workers to send remittances to Colombia, theoretically speaking the benefits of sending money to Colombia must be larger than the costs, since still the amount of remittances received in Colombia is very significant. It becomes a motivation of emigration which is explained by the insights derived: location specific assets model, mentioned above.

Conclusions

- The massive overseas emigration of the Colombian workers during the later 1990s was caused fundamentally by the economic crisis rather than by the armed conflict.
- There are different reasons to conclude that the armed conflict have not been the principal cause of overseas emigration: event though the Pacifica region has been identified as the main recipient of the overseas workers remittances and the poorest region of Colombia, during the period of largest overseas emigration the region was not strongly affected by the conflict armed. Additionally, people principally affected by forced displacement caused by the armed conflict are concentrated in the rural areas where, furthermore, is registered the largest percentage of poverty. This rural poverty indicate that likely most of the rural families cannot afford travel costs to emigrate overseas in order to escape from the Colombian armed conflict, rather, they may be internal emigrants to urban areas.
- The overseas emigrants from Colombia present high levels of education. Most of the information sources point out that Colombian emigrants travel with their spouses and children, which are indicators that they are allocated in the fourth and fifth income quintiles. However, the dependence of the remittances recipients on this income to pay basic needs and their low saving rates indicate that they and their emigrated family members are likely concentrated in the middle income deciles of the Colombian population which correspond to the third and fourth income quintiles. Then, in any

case emigrants do not belong to the poorest Colombian society.

- The remittances sent to Colombia by overseas workers avoid larger levels of poverty in Colombia but they are not the main factor that has supported the inequality reduction in Colombia. Rather, the overseas remittances have helped to maintain the middle class national income participation around 24% during the period 1999 -2005.
- Even though overseas workers' remittances are an important item in the Colombia's balance of payments and help to avoid poverty, the government taxation and the financial sector do not facilitate the remittances' transactions. However,

according to the theory of international migration, still he benefits of sending money to Colombia must be larger than the costs. Otherwise the overseas emigration would be discouraged since an international mover considers the facilities to move assets from one country to another as a motivation to leave. Additionally, the features of the international emigration of Colombians indicate that it would be explained by the theoretical models that argue that migration is motivated principally by economic reasons. As well, international migration becomes a strategy of households to facilitate the economic survival of the social unit.

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Appendix

Table 1. Colombians abroad according to Colombian population censuses

Year	1970	1980	1990	2000
Overseas emigrants	261.847	700.706	893.476	1.503.791

Source: Cárdenas & Mejía (2006)

Table 2. Colombian overseas emigration growth rate

Year	1970	1980	1990	2000
%		1,676	0,2751	0,68309

Source: The author based on Cárdenas & Mejía, (2006) data

Table 3. Colombian Economy during the 1990s

Year	GDP growth Rates (%)	Foreign Public Debt (US\$)	Central government fiscal balance. (% of GDP)	Cross Fixed Capital Formation (% of GD-Constant Prices)	Current Account (US\$ Millions)	Exchange Rate ¹ (\$/US\$)	International Reserves Accumulation (US\$ Millions)
1990	4,3	15474	-0,8	---	544	440.08	610
1991	2,0	15171	-0,2	---	2347	574.09	1763
1992	4,0	14416	-1,7	17,9	876	645.18	1274
1993	5,4	14254	-0,7	21,8	-2221	745.52	464
1994	5,1	14718	-1,4	23,3	-3669	816.15	199
1995	5,2	15540	-2,2	22,3	-4524	846.63	2
1996	2,1	16394	-3,6	21,6	-4632	1011.19	1721
1997	3,4	16785	-3,7	20,4	-5748	1027.06	277
1998	0,6	18787	-4,9	19,0	-4852	1323.16	-1390
1999	-4,2	20199	-5,9	13,0	671	1570.01	-315
2000	2,7	20610	-6,0	12,6	619	1923.57	870
2001(p)	1,4	23471	-5,9	13,8	-1414	2241.40	1217

Source: Ffrench-D, R & Villar, L.

1 Banco de la República de Colombia (Central Bank of Colombia)

Table 4. Colombia income poverty during the nineties (1993 PPP US\$)

Indicator	1980-1994 ²	1983-1999	1999-2001	1990-2003
\$1 a day	7.4	11	14.4	8.2
\$2 a day			26.5	22.6

Source: United Nations HDR 1998- 2006

Table 5. Colombia National Poverty Line

Period	Colombia National Poverty Line (%)
1984-1999	17,1
1987-2000	17,7
1989-1994	19,0
1990-2002	64,0

Source: United Nations HDR 1998- 2006

Table 6. Colombia's armed conflict; deaths in war actions

Year	1997	1998	1999	2000	2001	2002	Total
Number of homicides	1295	1425	1437	1677	2094	2178	10176

Source: PNUD (2003)

² 1985 PPP US\$

Table 7. Colombia's armed conflict; Growth rate of deaths in war actions

Year	1997	1998	1999	2000	2001	2002
Percentage (%)		0,10	0,01	0,17	0,25	0,04

Source: author based on PNUD (2003) data

Table 8. Displaced Families by Reception Area (January 1996 - June 1997)

Department	Municipalities	Families	People
Antioquía	11	2.451	11.084
Atlántico	2	161	751
Bolívar	7	961	5.048
Caqueta	4	175	823
Cesar	5	550	3.072
Córdoba	15	1.015	4.863
Chocó	4	1.102	5.510
Huila	3	109	517
Magdalena	5	224	1.142
Norte Santander	5	81	452
Santander	4	190	867
Sucre	7	379	1.918
Tolima	1	110	630
Total	73	7.508	36.677

Source: OEA (1999)

Table 9. Growth rate of overseas workers' remittances to Colombia

Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Growth rate		-16,18	-7,90	1,66	4,05	64,56	21,63	28,10	21,39	24,71	3,59	4,54	17,38

Source: Author's calculation based on Banco de la Republica data

Table 10. Remittances to Colombia as a percentage of Exports of Goods (GX), Exports of Especial Operations (EOX), Exports of services (SE), Imports of Goods (GM), Gross International Reserves (GIR) and GDP

Item	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
GX	11.30	7.97	7.07	6.57	7.21	11.22	12.05	16.52	20.80	23.66	19.28	15.92	16.25
EOX	188.30	184.75	174.48	142.80	143.42	273.75	253.02	328.66	469.93	348.01	405.54	363.58	310.87
SX	61.47	47.60	34.00	35.16	40.33	66.87	77.03	92.31	131.40	159.29	140.55	124.40	115.32
GM	8.72	6.28	5.85	5.30	5.79	13.11	14.81	17.09	21.06	23.92	20.69	17.05	16.22
GIR	11.91	9.57	7.50	7.65	9.02	16.01	17.52	19.73	22.63	28.02	23.41	22.16	25.19
FI	37.70	43.84	14.64	10.88	19.85	55.07	42.34	34.25	221.27	164.34	79.30	32.85	57.61
GDP	1.18	0.94	0.85	0.84	0.86	1.48	1.75	2.21	2.64	3.17	3.13	3.11	----

Source: Author's calculation based on Banco de la República data of Balance of Payment

Table 11. Regional poverty and indigence in Colombia in 2003

Region	Indigence %	Poverty %
Pacifica	30,2	56,7
Occidental (Western)	26,1	53
Antioquia	24,4	53,4
Atlantica	24,2	52,5
Oriental (East)	17,6	40,8
Orinoq-Amazonia	13	37
Valle	10,2	34,6
Bogota	7,6	28,7
S. Andres	4,4	19,8
National Total	19,6	45,1

Source: Millan (2005)

Table 12. Colombia's poverty according to areas

	1997	(%)	2003	(%)
	Urban	Rural	Urban	Rural
US\$ 1 PPP/ day	3,30	8,40	3,00	7,7
US\$ 2 PPP/day	7,20	24,90	7,10	22,20

Source: Lopez (2005)

Table 13. Internal displacement in the Eje Cafetero region 1995 -2003

Province	People received	People displaced	Net Received people
Caldas	18427	23479	-5052
Quindio	6852	1259	5593
Risaralda	16483	5819	10664
Total	140841	130456	10385

Source: Author based on Toro (2005)

Table 14. Colombia: regional Unemployment Rate (January – June; July – December)

Atlantica Region										
2001		2002		2003		2004		2005		2006
I	II	I	II	I	II	I	II	I	II	I
13,1	12,8	13,0	12,2	11,0	10,6	11,4	10,3	10,0	9,9	9,5
East Region										
2001		2002		2003		2004		2005		2006
I	II	I	II	I	II	I	II	I	II	I
15,0	12,5	15,7	15,8	15,1	14,8	15,5	12,2	12,5	9,6	11,9
Bogota										
2001		2002		2003		2004		2005		2006
I	II	I	II	I	II	I	II	I	II	I
19,6	17,8	19,4	17,1	17,4	15,9	16,1	13,6	14,1	12,0	11,8
Central Region										
2001		2002		2003		2004		2005		2006
I	II	I	II	I	II	I	II	I	II	I
16,6	14,8	17,9	16,0	16,0	15,7	16,9	14,1	14,3	11,2	12,8
Pacific Region										
2001		2002		2003		2004		2005		2006
I	II	I	II	I	II	I	II	I	II	I
14,5	13,5	14,3	14,7	13,3	10,8	13,2	11,6	12,1	11,4	13,8

Source: Dane (2007)